

Estimated Local Government Olympic Revenues

Prepared By:

Governor's Office of Planning and Budget

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Overview

☞ Background

- Process
- Previous Work
- Limitations
- Modeling Context

☞ Findings

- Revenue sources
- Allocation by type of local government
- Allocation by entity

Process

- ☛ Prepared at the request of the Venue Cities Working Group
- ☛ Collaborated with the Venue Cities Working Group on critical assumptions and methodological questions
- ☛ Controlled to statewide estimates released in April 1998

Previous Work

- ☛ Released April 1998
- ☛ Region-wide estimates from 1996-2002
- ☛ \$2.8 billion economic output
- ☛ 23,000 job years of employment
- ☛ \$972 million in earnings
- ☛ \$87.5 million in local revenue

2002 Olympic Winter Games

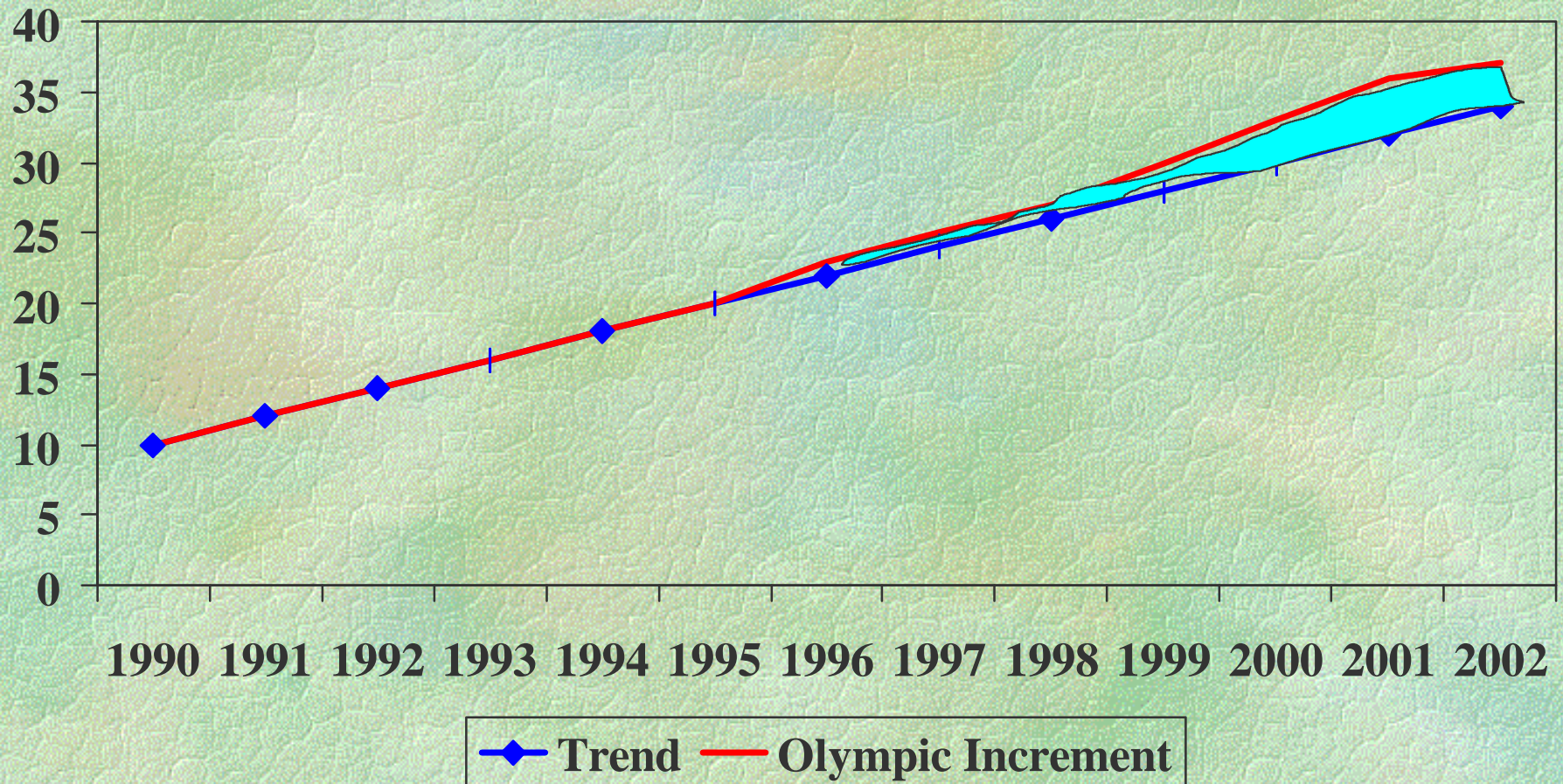
Economic, Demographic and Fiscal Impacts

State of Utah
Governor's Office of Planning and Budget
Demographic and Economic Analysis Section
April 1998
Second Printing

Limitations

- ❧ **Estimates of Olympic-related revenue only**
 - Estimates of Venue City expenditures will be prepared by the Venue Cities Working Group
- ❧ **Intended as a planning document**
 - Not precise accounting
- ❧ **Includes the previous Salt Lake Olympic Organizing Committee budget**
 - Updates will incorporate new budget
- ❧ **Includes estimates of Olympic-related federal revenue as of April 1998**
- ❧ **Includes direct, indirect, and induced revenues**
- ❧ **Will be updated and revised several times before the Games**

Modeling Olympic Impacts



Local Government Olympic Revenues -- Modeling Context

Central to understanding this work is the realization that these impacts:

- **Occur over seven years (1996-2002)**
- **Track economic growth directly and indirectly related to Olympic-related spending**
- **Include only new growth above a benchmark**
- **Result from the addition of many, many incremental impacts**

Direct Olympic Spending 1996-2002

- ☞ **SLOC Budget -- \$858 million** (previous budget)
- ☞ **Private/Public Investment -- \$600 million**
- ☞ **Visitor Spending -- \$311 million**
- ☞ **Broadcast Expenditure -- \$74 million**

\$1.84 Billion

Modeling Steps

**\$1.84 Billion
Direct Spending**



**Total Local
Government
Revenues**



**Disaggregate
Individual
Entities**

*Historic relationship between
growth in the economy and
specific revenue sources*

*Follow existing distribution
formulas & utilize proxies
for where spending occurs*

Olympic-Related Local Revenues

☞ Sales Taxes (\$21.2 million)

- **Local Option -- 1%**
- **County Option -- 0.25%**
- **Resort Communities -- 1% (Park City) up to 1.5%**
- **Public Transit -- 0.25%**
- **Transient Room -- 3%**
- **Municipal Transient Room -- up to 1.5%**
- **Restaurant -- 1%**
- **Car Rental -- up to 7% (not including airport fee)**
- **Room Rental -- 0.5% (Salt Lake County)**
- **Zoo, Arts, and Parks -- 1/10 of 1% (Salt Lake County)**

Olympic-Related Local Revenues (con't)

☛ **Property Taxes (\$37.3 million)**

☛ **Fees and Charges (\$20.6 million)**

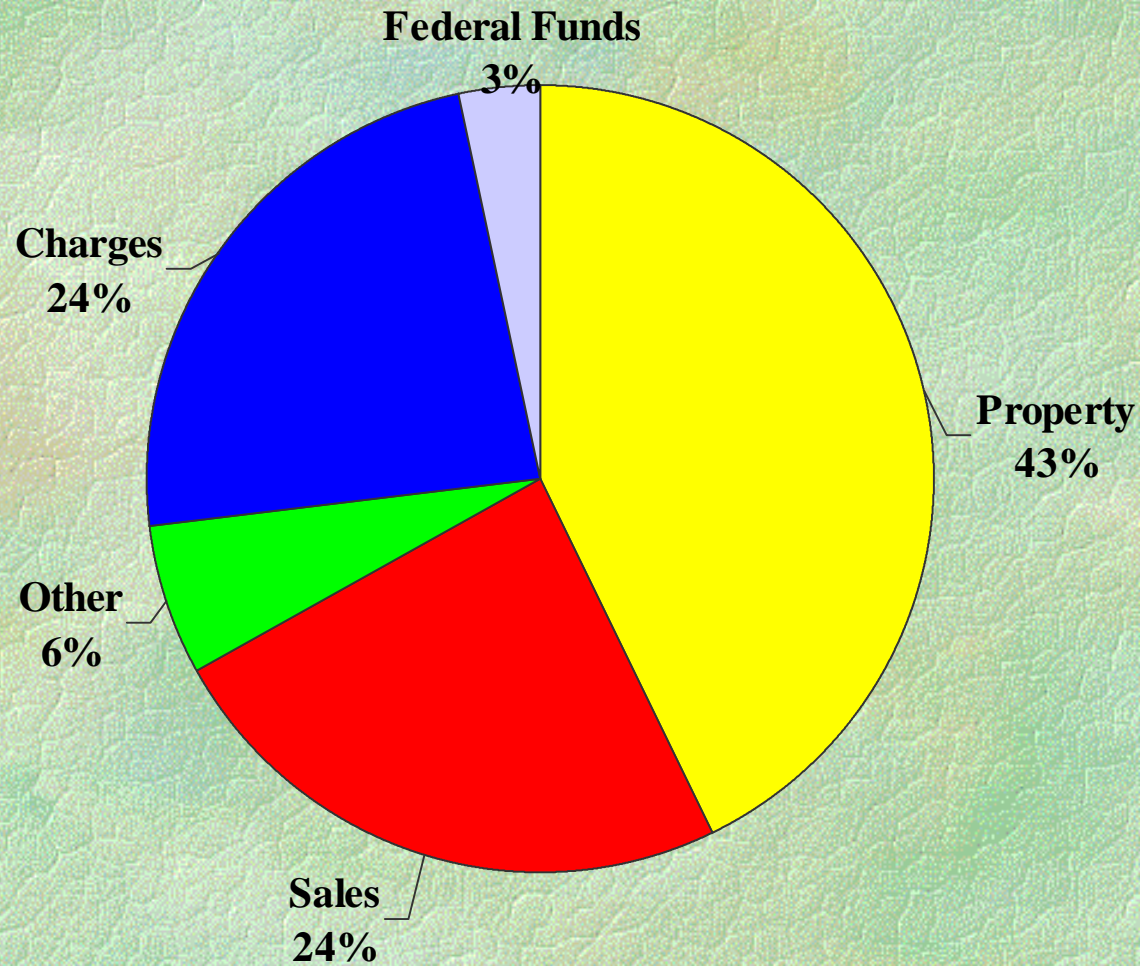
- Parks and Recreation
- Solid Waste Management
- Parking
- Airports
- Schools

☛ **Other Taxes (\$5.3 million)**

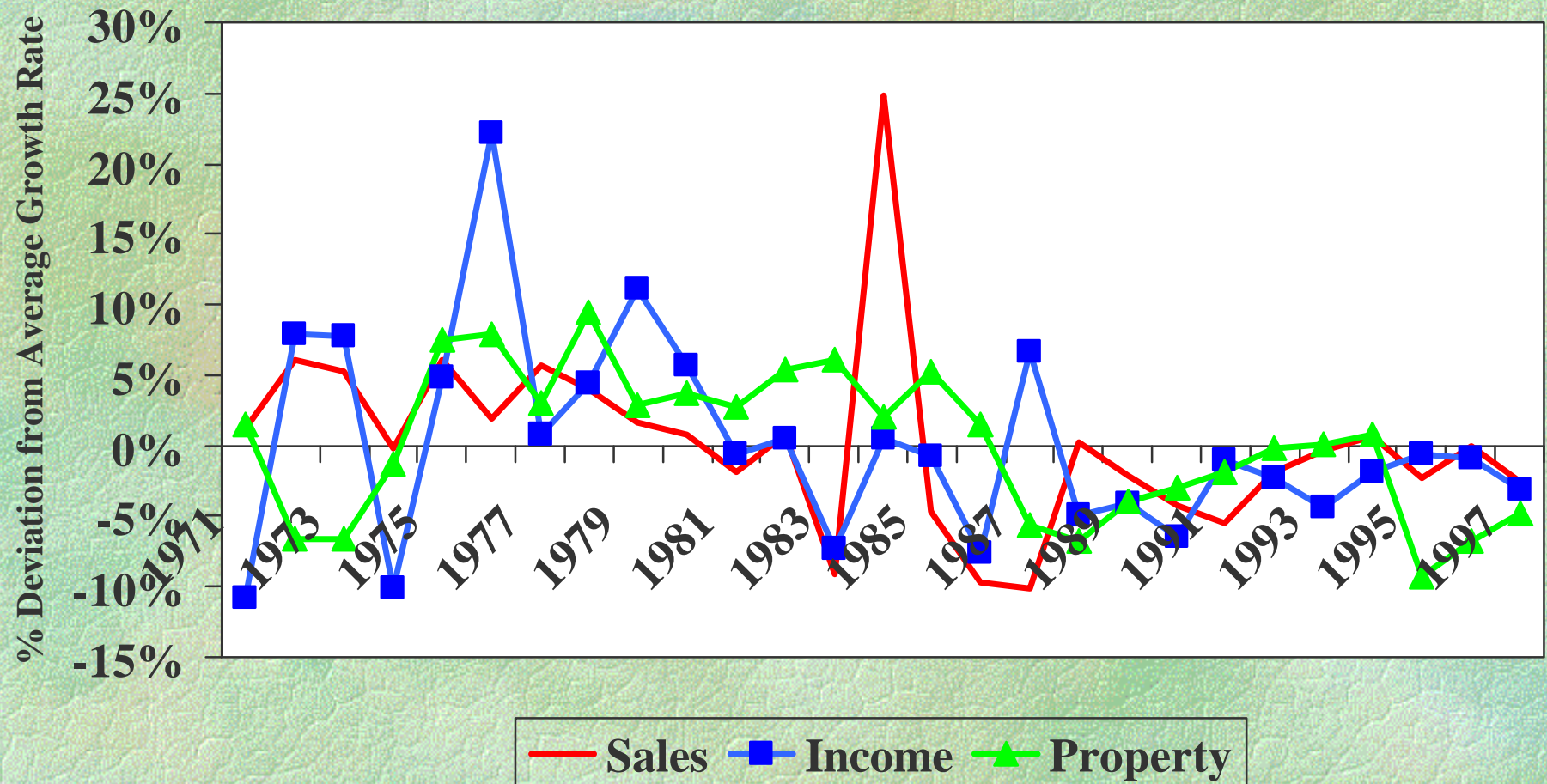
- Utility Franchise Fees
- Licenses and Permits

☛ **Indirect Federal Funds (\$3.0 million)**

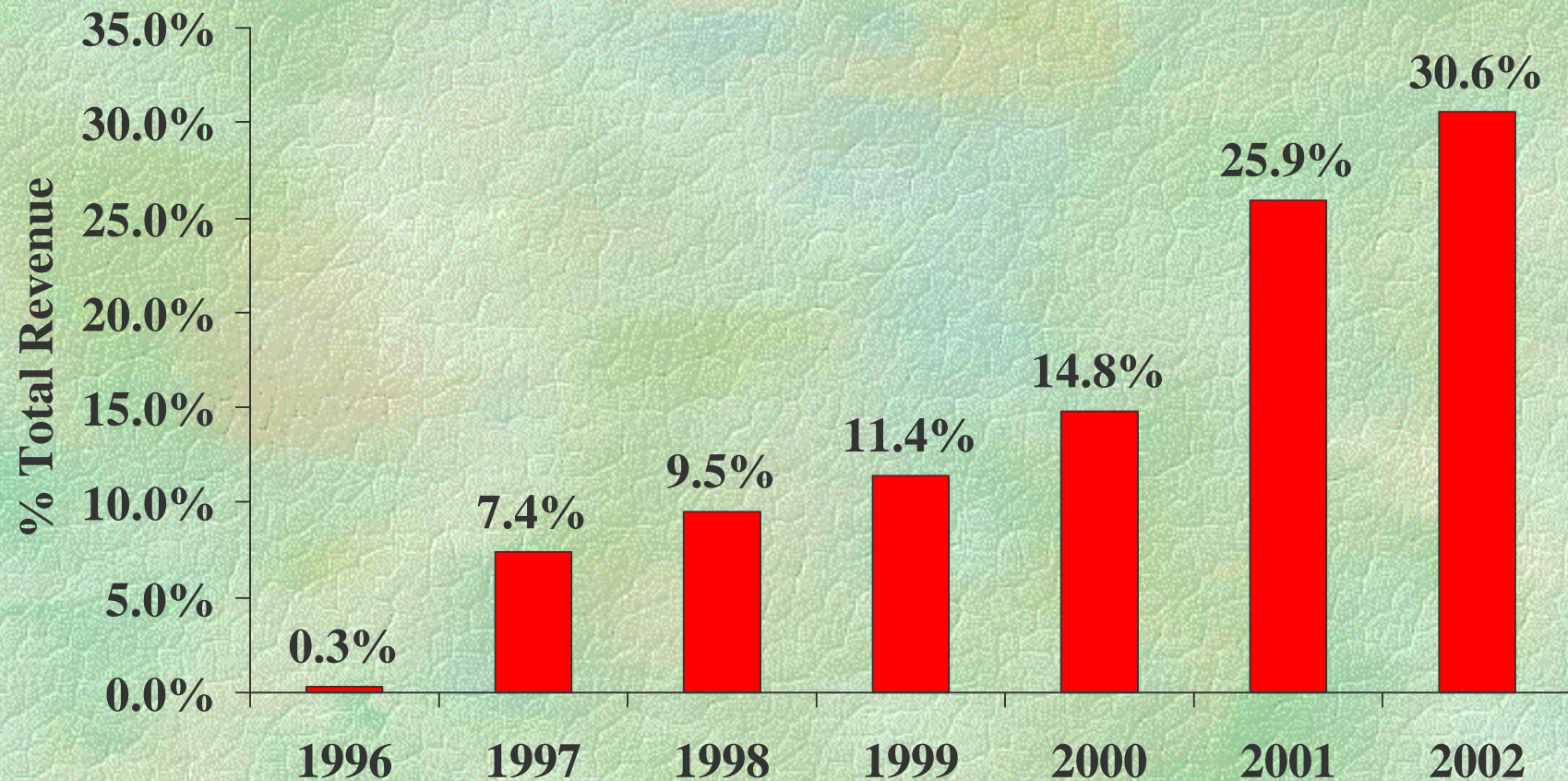
Local Olympic-Related Revenue By Source of Revenue



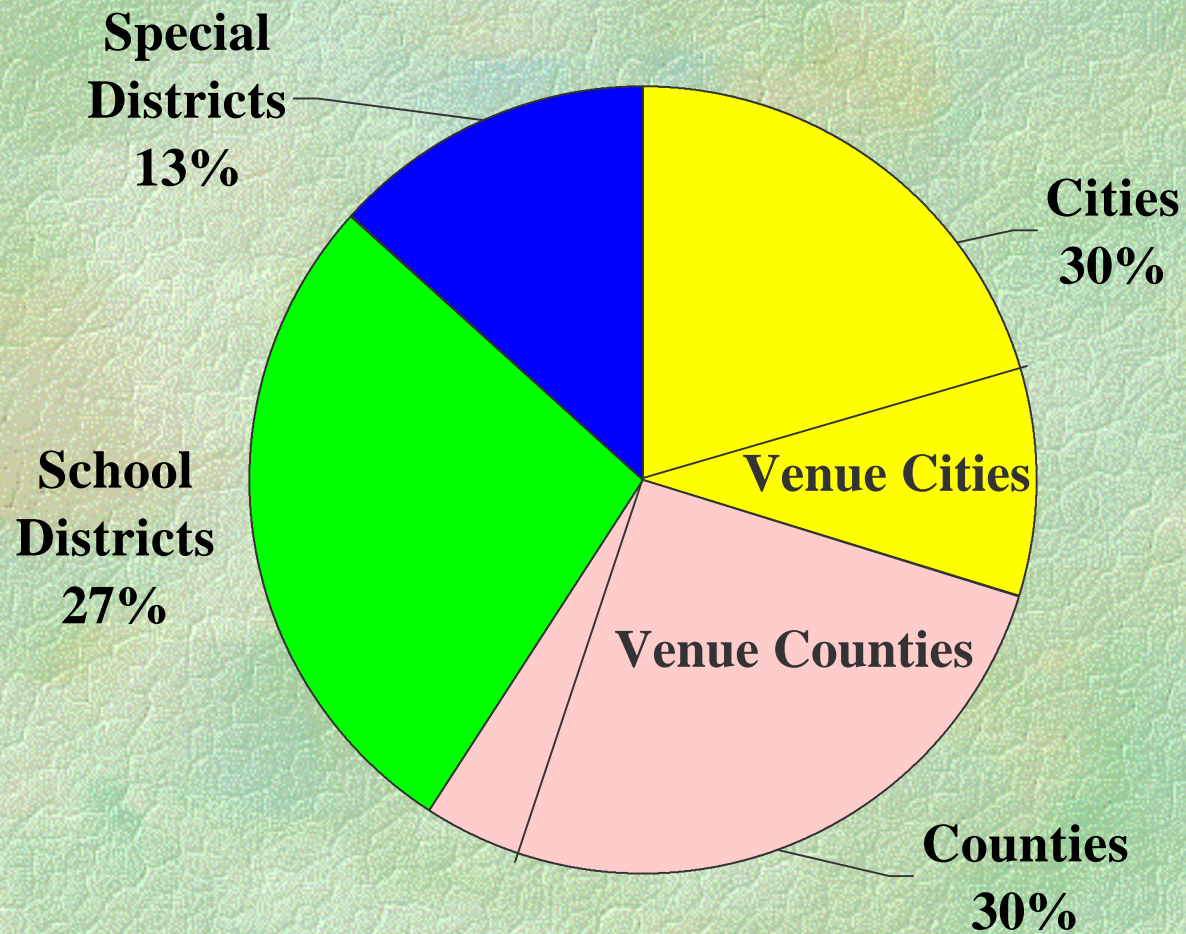
Volatility of Major Taxes



Timing of Olympic-Related Local Revenue

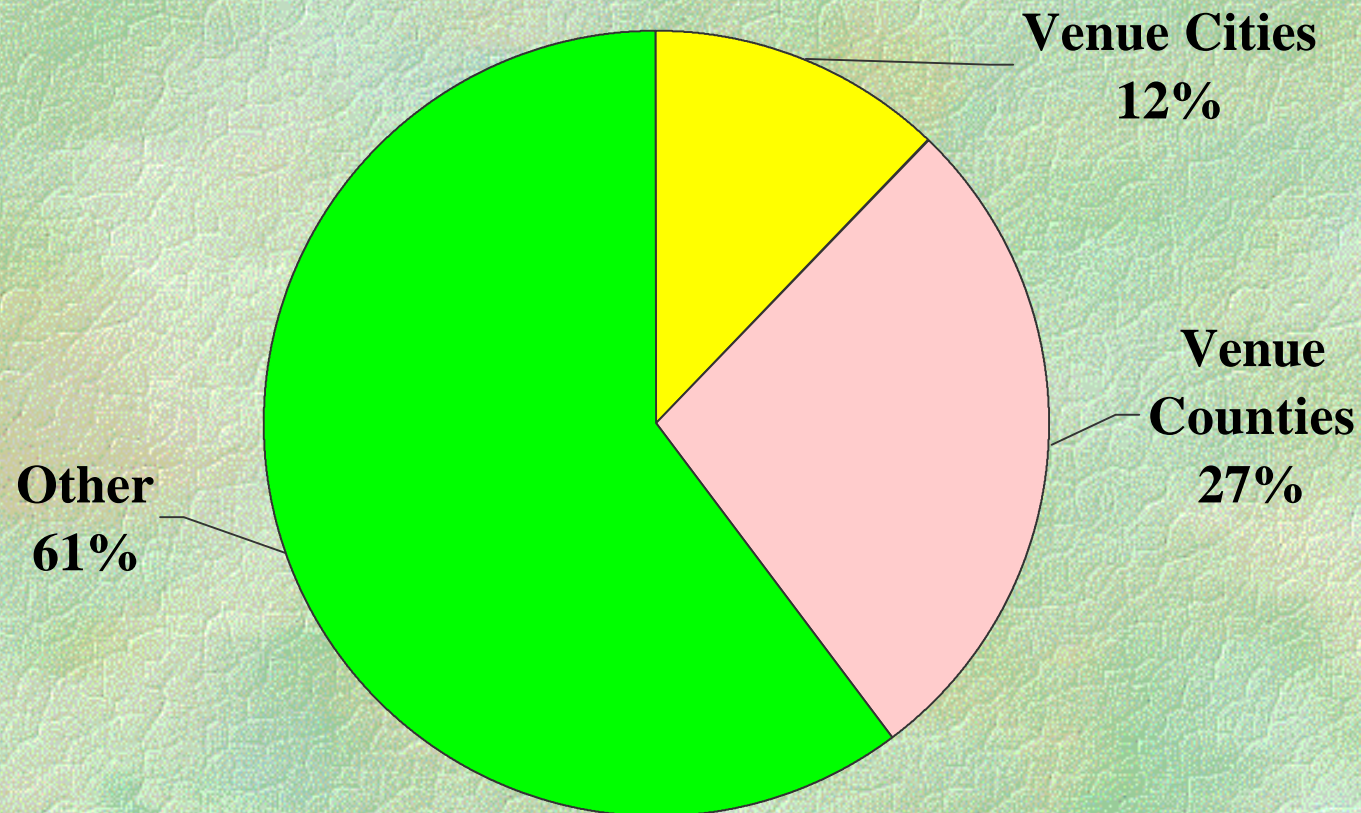


Olympic-Related Revenue Allocation Among Local Governments



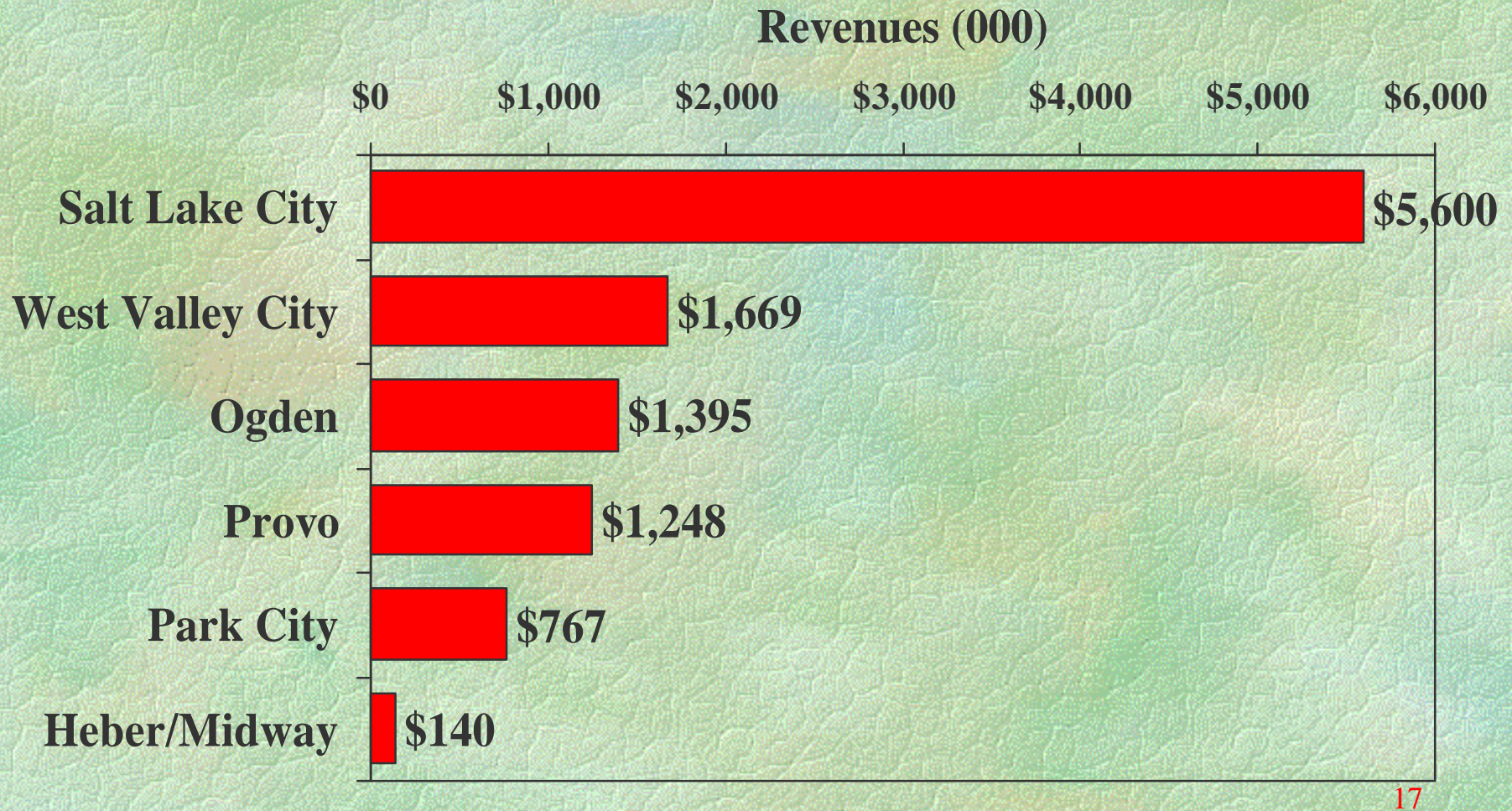
Olympic-Related Revenue

Allocation Among Venue and Non-Venue Entities



2002 Olympic Winter Games

Estimated Venue Cities Revenue 1996-2002



2002 Olympic Winter Games

Estimated Venue Counties Revenue 1996-2002

